

Introduced: 3/29/83  
Referred: Community & Regional Affairs,  
House Special Committee on State Loans  
and Finance

BY THE HOUSE SPECIAL  
COMMITTEE ON STATE LOANS

1 IN THE HOUSE

2

HOUSE BILL NO. 302

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the Alaska Housing Finance Corpo-  
7 ration; relating to rural and nonconforming housing  
8 loans; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 18.56.096(1) is amended to read:

11 (1) a first mortgage loan under this chapter that exceeds  
12 the limitations on first mortgage loans purchased by the Federal  
13 National Mortgage Association as to [PRINCIPAL AMOUNT AND] loan-to-  
14 value ratio; [OR]

15 \* Sec. 2. AS 18.56.096(2) is amended to read:

16 (2) a second mortgage loan [THE AMOUNT OF WHICH, WHEN  
17 COMBINED WITH THE PRINCIPAL BALANCE OF A FIRST MORTGAGE LOAN ON THE  
18 PROPERTY, EXCEEDS THE LIMITATION ON THE AMOUNT SET OUT IN (1) OF THIS  
19 SECTION OR] that has a loan-to-value ratio, when considered with the  
20 principal balance of the first mortgage loan, that exceeds 90 percent;  
21 [.]

22 \* Sec. 3. AS 18.56.096 is amended by adding a new paragraph to read:

23 (4) a first mortgage loan that exceeds \$250,000, or a  
24 second mortgage loan, the amount of which, when combined with the  
25 principal balance of a first mortgage loan on the property, exceeds  
26 \$250,000.

27 \* Sec. 4. AS 18.56.098(g)(1) is amended to read:

28 (1) The interest rate on the first \$90,000 of a mortgage  
29 loan purchased with the proceeds of an [THE FIRST] issue of taxable

1 bonds of the corporation is four percent less than [10 PERCENT OR] the  
2 cost of funds of that issue, except that

3 (A) if the cost of funds of that issue is less than 10  
4 percent, the interest rate is equal to the cost of funds; and

5 (B) if the cost of funds of that issue is more than 10  
6 percent, the interest rate may not be less than 10 percent [,  
7 WHICHEVER IS LESS].

8 \* Sec. 5. AS 18.56.098(g)(5) is amended to read:

9 (5) The interest rate on a mortgage loan purchased with  
10 [FROM] money that is not the proceeds of either taxable or tax-exempt  
11 bonds [APPROPRIATED TO THE CORPORATION] is the rate the corporation  
12 determines is appropriate by application of the provisions of (1) [-  
13 (4)] of this subsection. [THE RATE MAY BE BASED ON AN ESTIMATE OF THE  
14 COST OF FUNDS OF A PROPOSED ISSUE OR ISSUES OF BONDS.]

15 \* Sec. 6. AS 18.56.101 is amended to read:

16 Sec. 18.56.101. ELIGIBILITY FOR VETERANS' INTEREST RATES. The  
17 following persons are eligible veterans for the purposes of AS 18.56.-  
18 098(g) and (h):

19 (1) a person who served in the armed forces of the United  
20 States for 90 days or more, or whose service was for less than 90 days  
21 because of injury or disability incurred in the line of duty, after  
22 April 6, 1917,

23 [(A) WHO AT THE TIME OF INDUCTION INTO THE SERVICE WAS  
24 A RESIDENT OF THE TERRITORY OR STATE, WHO HAD BEEN A RESIDENT FOR  
25 NOT LESS THAN ONE YEAR IMMEDIATELY BEFORE HIS INDUCTION, AND WHO  
26 RETURNED TO THE TERRITORY OR STATE WITHIN ONE YEAR AFTER DIS-  
27 CHARGE AS A RESIDENT WITH THE INTENTION OF REMAINING IN THE  
28 TERRITORY OR STATE; OR

29 (B) WHO, NOT BEING A BONA FIDE RESIDENT OF THE

1 TERRITORY OR STATE AT THE TIME OF ENTRY INTO THE SERVICE, HAS  
2 BEEN A RESIDENT OF THE TERRITORY OR STATE FOR AT LEAST ONE YEAR  
3 AT THE TIME OF THE LOAN APPLICATION AND HAS BEEN A RESIDENT TO  
4 THE TERRITORY OR STATE FOR AT LEAST FIVE YEARS; AND

5 (C)] whose discharge was under honorable conditions;

6 (2) the widow or widower of a member of the armed forces or  
7 an eligible veteran if

8 [(A) THE MEMBER OR VETERAN WAS A RESIDENT OF THE TERRI-  
9 TORY OR STATE FOR ONE YEAR BEFORE INDUCTION INTO THE SERVICE;

10 (B)] the member or veteran served in the armed forces  
11 for at least 90 days after April 6, 1917 [;] and

12 [(C)] the veteran's [HIS] discharge was under honorable  
13 conditions;

14 (3) a person who has served for not less than five years in  
15 the Alaska Army National Guard, the Alaska Air National Guard, [OR]  
16 the Alaska Naval Militia, or [WHO HAS SERVED IN] a reserve unit of the  
17 United States armed forces [IN ALASKA] if the reserve unit required,  
18 as a minimum, one weekend each month of duty and 15 consecutive days  
19 of active duty training each year [FOR NOT LESS THAN FIVE YEARS] and  
20 whose discharge was under honorable conditions.

21 \* Sec. 7. AS 18.56.115 is amended to read:

22 Sec. 18.56.115. INDEPENDENT FINANCIAL ADVISOR. In negotiating  
23 the private sale of bonds or bond anticipation notes to an under-  
24 writer, the corporation may [SHALL] retain a financial advisor who is  
25 independent from the underwriter.

26 \* Sec. 8. The amendments to AS 18.56.098(g) made by secs. 4 and 5 of  
27 this Act apply only to mortgage loans purchased by the Alaska Housing  
28 Finance Corporation from the proceeds of bonds issued after the effective  
29 date of secs. 4 and 5 of this Act.

1     \* Sec. 9. AS 18.56.098(g)(2) and AS 44.47.385 are repealed.

2     \* Sec. 10. This Act takes effect immediately in accordance with AS 01.-

3 10.070(c).